



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

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Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

January 29, 2003

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 2789

Jim Kelley
Chemical Lime Company of Arizona
Mining and Exploration Department
P.O. Box 985004
Fort Worth, Texas 76185-5004

Re: Receipt of Notice of Surety Cancellation, Chemical Lime Company of Arizona, Grantsville Quarry Mine, M/045/028, Tooele County, Utah

Dear Mr. Kelley:

On January 22, 2003, we received notification from Travelers Casualty and Surety Company that the surety bond will be cancelled on April 24, 2003 due to non-payment of premium, unless the premium is received prior to that date (copy attached). The bond is posted as reclamation surety for Chemical Lime Company's Grantsville Quarry Mine, located in Tooele County, Utah.

The Utah Mined Land Reclamation Act requires an adequate surety be maintained for all large mining operations until the mine site is successfully reclaimed, allowing bond release. You are hereby advised that **we must receive a replacement form of surety prior to March 22, 2003** or proof that your premium has been brought current and the bond will not be cancelled. As stated under item #2 of your Reclamation Contract: "... If the operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the disturbed area."

Please contact me at (801) 538-5286, or Joelle Burns at 538-5291 to discuss this situation further and to inform us of your intentions. Thank you for your consideration and prompt attention to this important permitting requirement.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

Attachment: copy of surety cancellation notification

cc: Glen Carpenter, BLM, SLFO (U-75735)

John Blake, SITLA (ML 44446-BSLS)

Steve Alder, AAG's Office

Mary Ann Wright, DOGM

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Travelers Casualty & Surety Company of America
Hartford, CT 06183

SURETY CANCELLATION NOTICE

m/045/028

UTAH DEPT OF NATURAL RESOURCE, DIVISION OF OIL, GAS AND MINING
1594 WEST NORTH TEMPLE, SUITE 1210 BOX 145801
SALT LAKE CITY, UTAH 84114-5801

AGENCY NAME AND CODE: MARSH USA INC (0JC706) 1601 ELM ST 2100 THANKSGIVING TOWER DALLAS, TX 75201 (0JC706)	
POLICY NUMBER:	DATE: January 13, 2003
POLICY TYPE: Reclamation	
DATE OF CANCELLATION: 4/24/2003	<input type="checkbox"/> 12:00 NOON STANDARD TIME <input checked="" type="checkbox"/> 12:01 A.M. STANDARD TIME
PREMIUM DUE: \$4,775.00	

OBLIGEE AND MAILING ADDRESS

Utah Dept of Natural Resource, Division of
Oil, Gas and Mining
1594 West North Temple, Suite 1210 Box
145801
SALT LAKE CITY, UTAH 84114-5801

PRINCIPAL AND MAILING ADDRESS

Chemical Lime Company
3700 Hulen Street
FORT WORTH, TEXAS 76107

We are canceling this Surety bond for non- payment of premium. Coverage under the bond will terminate on the Date of Cancellation shown above unless we receive the premium due before the Date of Cancellation.

S-63770.502

RECEIVED

JAN 22 2003

DIV. OF OIL, GAS & MINING